



Connecticut Manufactured Housing Association

**Statement of the Connecticut Manufactured Housing Association in Opposition to S.B. 4 –
*‘An Act Concerning Connecticut’s Current and Future Housing Needs’***

The Connecticut Manufactured Housing Association (CMHA) is opposed to S.B.- 4. CMHA represents the owners of over 7,500 mobile home lots in Connecticut which is approximately three quarters of the lots in the state. Community owners are proud to offer a practical housing alternative for residents with limited financial resources. However, certain sections of the proposed bill would all but eliminate mobile home living as a solution to Connecticut’s affordable housing crisis.

One of the major obstacles presented in the S.B.- 4 is the call for rent stabilization in Sections 3 and 4. For the reasons outlined in CMHA’s testimony for the public hearing on H.B. 6589 – ‘An Act Concerning Rent Stabilization in Mobile Manufactured Home (see Attachment I), CMHA is against rent caps. It is our belief that rent control would be detrimental to the operations of mobile home communities and would limit, rather than expand, the potential for using mobile homes as a component of the affordable housing solution.

CMHA also opposes the prohibition on charging more than the actual cost for a tenant screening report in Section 7 of the proposed bill. In addition to the screening report, there are internal administrative costs associated with processing applications. Depending on the number of lots an owner has, these costs can be substantial. If the screening is not done properly, there is a greater risk that there will be major costs down the road in dealing with nonpayment issues and possible evictions. The bill further forces community owners to accept a tenant’s copy of a previous screening report and forego any application fee. This opens the community owner to the possibility of having to except reports from inferior screening companies or reports that have been digitally modified. A less stringent screening process will put good tenants at risk of having residents in their communities that have not been thoroughly vetted.

The cap on late fees of the lesser of \$5.00 per day or a total of \$25.00 diminishes the incentive to pay rent on time. Community owners use rent payments to meet their obligations. If the situation is widespread, this could give rise to noteworthy financial consequences.

Another provision of the bill (Sections 5 and 6) that would have a negative impact on community owners is the eviction moratorium between December 1 and March 31. This would elongate the time to complete an eviction started during the summer to the end of March, allowing residents to live rent free for several months. The community owner would suffer the commensurate loss of income.

Thank you for your consideration of our position.

Respectfully,

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Attachment I

Statement of the Connecticut Manufactured Housing Association in Opposition to H.B. 6589 – ‘An Act Concerning Rent Stabilization in Mobile Manufactured Home Parks’

The Connecticut Manufactured Housing Association (CMHA) opposes H.B. 6589. Members of the Association own three quarters of the 10,000+ mobile home lots in Connecticut. As it is today, manufactured homes offer a practical housing alternative for residents with limited financial resources. There are several reasons for our opposition to the bill capping rents in manufactured home parks.

Park residents will suffer if mobile home park rents are capped. While some people believe that capping rents is the solution to affordable housing, it is more likely that it will have the exact opposite effect. Rent increases enable community owners to offer a safe and comfortable environment, and to be able to keep up with ongoing repairs and maintenance. Restrictions on rent will make it more difficult to respond to resident and property needs and less likely for owners to invest in capital improvements. Some may even be forced to sell or close their businesses. As properties decline, the value of homes in the park and those surrounding it will also drop. A study in the *Journal of Economic Perspectives* found that 93.5% of U.S. economists agreed that “A ceiling on rents reduces the quantity and quality of housing available”.¹

The bill unfairly targets mobile home park owners in Connecticut. Park owners are faced with the same increases in inflation, taxes, labor, utilities, and other operating expenses as any other business. In addition, they have infrastructure costs such as water systems which can cost hundreds of thousands of dollars to replace or undergo major repairs; road paving bills which are in the tens of thousands to maintain and repair; aging septic systems that need to be upgraded can cost more than a million dollars; and the cost of waste removal for all communities has skyrocketed in the past few years. In some cases, communities offer clubhouses, pools and playgrounds that generate further costs. The bill will also have a ripple effect on park owners’ employees; outside contractors who set up the homes, pave and plow the roads, mow the lawns, cut the trees; fuel suppliers; waste management companies; and those who perform general maintenance on the homes. Why single out mobile home park owners and their support service providers to bear the burden of the State’s affordable housing crisis?

Mobile home park owners have a right to run their business for profit. Mobile home community owners in the state range from a couple who owns a park with three sites to *Fortune 500* companies who own multiple parks in several states. Many parks have been family-run for generations, while others have been purchased as an investment opportunity by individuals, small investment groups and large corporations. In a free market, each owner has the right to a fair profit whether it is for family living expenses, funding retirement, or delivering a return on investment to their shareholders. It is not up to consumer groups or legislators to dictate pricing. Any form of rent control will impose an insurmountable barrier to a positive return on investment.

Fair Housing Commissions need a chance to do what they were intended to do. Last year the Legislature authorized Fair Housing Commissions in municipalities with 25,000 or more residents. The purpose of the Commissions is to handle housing disputes, including rent, between a landlord and tenant. Municipalities are still in the process of setting up their Commissions in order to meet the July 1, 2023 deadline. It only makes sense to give them the chance to determine their effectiveness.

There are significant financial costs associated with implementing and maintaining a rent stabilization or rent control program. The last thing the state and municipalities need are additional administrative costs attributed to housing that will not produce any increase in places for people to live.

Thank you for your consideration of our position.

Respectfully,

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¹ 10.1257/jep.9.1.99 (aeaweb.org)